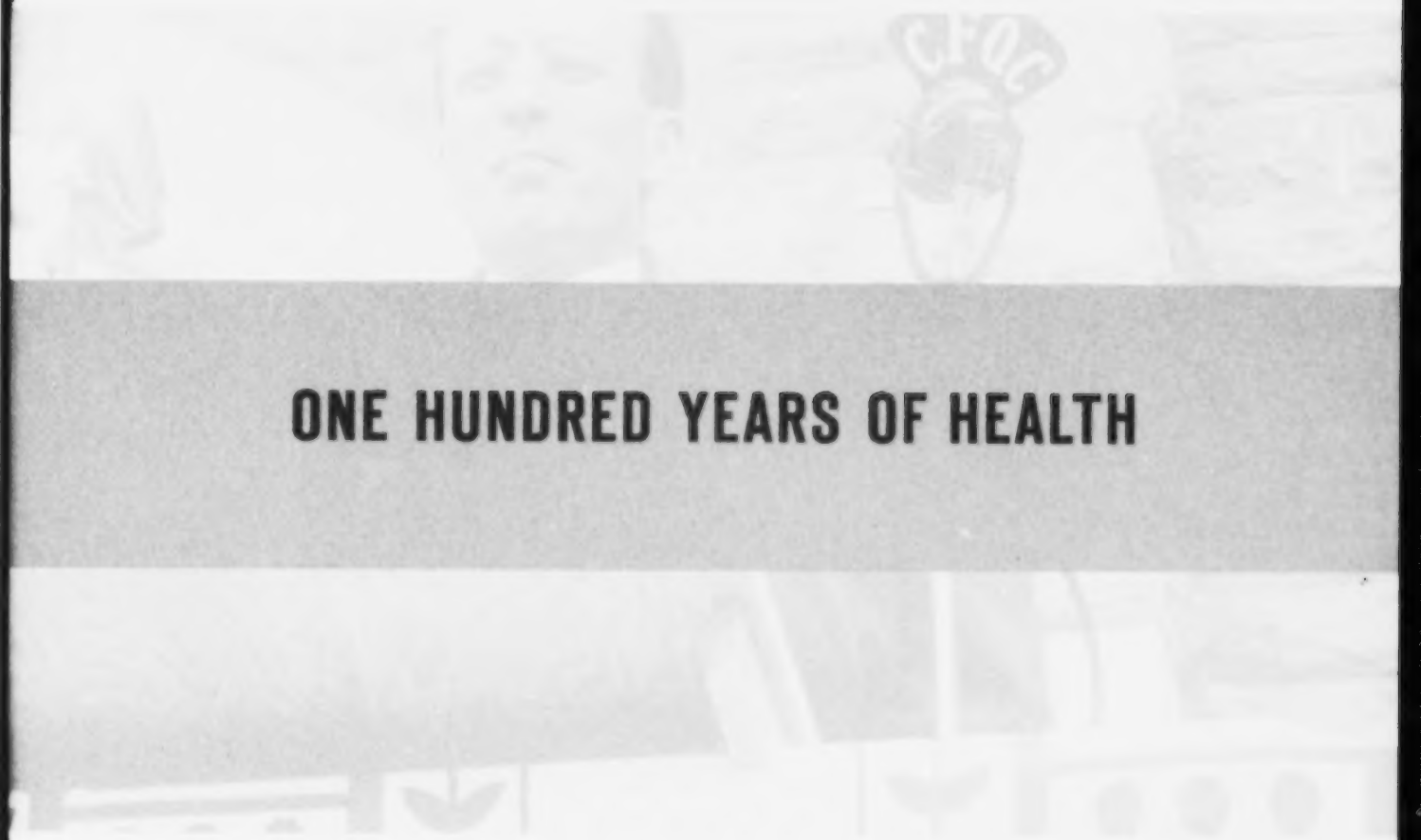
Health Quality Council 2004-2005 Annual Report



ONE HUNDRED YEARS OF HEALTH

HEALTH QUALITY COUNCIL

Quality Health Care: Your goal and ours.

Our vision: Our mission: Our definition of quality: Our values: Our mandate:

Contents

Quality Health Care: Your goal and ours.

The Health Quality Council is an independent agency that measures and reports on quality of care in Saskatchewan, promotes quality improvement, and engages its partners in building a better health system. The Council is the first of its kind in Canada. It is led by an appointed panel of provincial, national, and international health leaders.

Our vision:

To make Saskatchewan health care better.

Our mission:

To improve the quality of care and the caring experience in Saskatchewan, by encouraging the use of best practice. We will do this by:

- Ensuring continuous, objective reporting on performance quality
- Supporting quality improvement initiatives
- Engaging all decision-makers – managers, providers, and patients – in the quality improvement movement

Our definition of quality:

Quality health care is care that is accessible, safe, effective, patient-centred, timely, efficient, and equitable.

Our values:

- Changing the culture
- Sharing successes and learning
- Engaging patients
- Partnering with managers and providers
- Basing improvement on evidence
- Organizing for results

Our mandate:

- Monitor standards of care
- Research and develop new standards for care
- Assess prescribing and use of prescription drugs
- Oversee drug approval processes
- Review new technologies
- Promote training and education programs
- Monitor and assess quality of services
- Explore human resource issues

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Cover Photo: Premier T.C. Douglas addresses the crowd at the opening ceremonies for University Hospital in Saskatoon, during Saskatchewan's Royal Jubilee celebrations.

University of Saskatchewan Archives

105-06530/

LETTER OF TRANSMITTAL

The Honourable John Nilson
Minister of Health
Room 361, Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Mr. Nilson:

I am pleased to submit this annual report for the Health Quality Council. This report for 2004 – 2005 fiscal year is submitted in accordance with the requirements of *The Health Quality Council Act* and *The Tabling of Documents Act*.

J. Stewart McMillan

Dr. J.S. McMillan
Chairperson
Health Quality Council

MESSAGE FROM THE BOARD CHAIR

Dr. J. Stewart McMillan

Celebrating the people of our province

Saskatchewan's Centennial is an opportunity to reflect on the past and recognize those who helped build this province. In our 100-year history there have been many remarkable individuals who paved the way and contributed to improving our health care system.

It is almost impossible to think of Saskatchewan's health care system without remembering Tommy Douglas and his successful crusade to bring universal health care to all Canadians. The father of medicare nearly lost his leg to amputation as a young boy because his family could not afford medical treatment.

While Douglas may be the most memorable, and certainly one of the most beloved, figures in our history, many other individuals — before and after Douglas — have made great contributions. Dr. Maurice Seymour, Saskatchewan's first commissioner of public health, laid the foundation for medicare with his innovative ideas. He drafted legislation allowing municipal taxes to be used for hospitals, nurses, and doctors. In response to the crisis of tuberculosis, Seymour formed the Anti-TB League and built the province's first TB sanatorium. Dr. Robert George Ferguson carried on this work, making Saskatchewan the first place in Canada to offer free TB testing and treatment. Ferguson also helped establish vaccination programs in Canada and around the world.

Our people have been a driving force for health care innovations

Our people have also led the way in the fight against cancer. Dr. Ertle Harrington established Canada's first cancer control agency in Saskatchewan. This was followed by the groundbreaking Cancer Control Act, which provided free diagnosis and treatment for every resident. Perhaps our most famous advance in cancer treatment was the development of the calibrated cobalt-60 unit, the precursor to today's modern radiation equipment. Former Lieutenant Governor Sylvia Fedoruk was part of the team that achieved this global first.

Many other health care breakthroughs have their roots in Saskatchewan. For example, Jean Goodwill, the first aboriginal person to graduate from a nursing program in Saskatchewan, helped found the Indian and Inuit Nurses of Canada (now known as Aboriginal Nursing Association of Canada). We have also changed the face of psychiatric treatment. Under the leadership of Dr. Griffith McKerracher, we established the first open psychiatric ward in Canada, breaking down barriers that had existed for far too long and encouraging more humane treatment for those with mental illness.

Strong relationships encourage quality improvement

Saskatchewan has achieved great things because of the commitment and efforts of our citizens. It is with great pride that the Health Quality Council has helped grow Saskatchewan's population by recruiting highly trained individuals from Ontario, Alberta, and the United States. Some are repatriated former residents, while others were persuaded to move because they want to be on the leading edge in health care and know Saskatchewan is the place to do it. With so much talk about the "brain drain," it is exciting that we are actually creating a "brain gain."

This year we continued to build our relationships with the Regional Health Authorities and professional organizations. Without their support and enthusiasm for quality improvement, we would not be able to create real and meaningful change in our health care system. Despite the many demands on their time and resources, our partners have made quality improvement a priority. They have shown a willingness to learn by participating in our events, they have responded to the findings from our reports, and they have provided the open and honest feedback that supports change.

And of course, we must acknowledge the most important people in our health system – the patients. This year we continued to run a major project designed to give patients a voice in their care. The Patient Experience Survey is the first time patients across the province have been asked what they think about their care. Ultimately, the patient is at the heart of every improvement – because a change in an environment only if the patient notices it.

Saskatchewan is sometimes derided a "have not" province, but our people have a "can do" attitude. We continue to be a travel destination as residents see a need and are not afraid to invest it. Tommy Douglas once said, "My friends, watch out for the little fellow with an idea." In the spirit of the Centennial, perhaps this quote is due for an update: "My friends, keep an eye on the little province with the big idea to establish Canada's first Health Quality Council."

J. Stewart McMillan

J. Stewart McMillan MB, ChB, FCFP, FCFP
Board Chair

MESSAGE FROM THE CEO

Dr. Ben Chan

Celebrating the spirit of Saskatchewan's Centennial

The Centennial is a year for celebrating all the things that are great about this province. In fact, a year doesn't seem long enough to appreciate all the good things we have going on in Saskatchewan.

What makes Saskatchewan special?

- We are home to the one and only Royal Canadian Mounted Police training academy.
- We have close to 5 million acres of parkland that encompasses two national parks and 34 provincial parks.
- There is plenty of opportunity to enjoy nature because we are also the sunniest province in Canada, averaging from 2,000 to 2,500 hours of sunshine annually.
- For cultural diversions, we have more than 250 museums and art galleries.
- And of course, there's our agriculture: we produce 54 per cent of the wheat grown in Canada.

Saskatchewan is the birthplace of universal health care

There is something else that sets this province apart and makes us proud to call it home. Saskatchewan will forever hold a place in Canadian history as being the birthplace of medicare. In 1938 the town of McKillop voted in favour of collecting taxes to pay for unlimited access to a municipal doctor, 21 days of hospital care, and prescription drugs. In 1947, Premier Tommy Douglas and the Co-operative Commonwealth Federation party introduced province-wide hospital insurance. Douglas worked tirelessly toward his vision of universally accessible medical care. By 1968, his dream had become a reality in Canada and a first in North America.

This is an incredible legacy, and one that continues to define us as Canadians. But the Centennial is also a time to remember other significant achievements in our province's health care history. We were the first province to provide free treatment for tuberculosis. We established the first cancer control agency in Canada, and the first government-sponsored cancer clinics in North America. In 1946, we established the first air ambulance service in North America and the Commonwealth. We were the first to use the calibrated cobalt-60 cancer treatment unit. We also led the way in kidney transplants, agricultural medicine, fertility, neurology, mental health — the list goes on and on.

A year of firsts for the Health Quality Council

The Health Quality Council is another remarkable first for the province – the first agency of its kind in Canada. In fact, this entire year has been a series of firsts for our agency. In September we released our first major quality report, on post-heart attack care. In October, we hosted QI-nexus, the province's first quality improvement learning symposium. We also worked in partnership with the regions to conduct the Patient Experience Survey – the first time patients across the province have been asked how *they* feel about the care they receive. And we achieved a national first: we are the first province in Canada to provide The Cochrane Library free of charge to every health provider and resident.

Saskatchewan is on the leading edge in building a culture of quality improvement, and it is an exhilarating feeling to be part of this. We are reminded every day that the work we are doing is innovative and exciting. The pioneering spirit lives on in our province and our people. This Centennial we are celebrating so much more than our past; we are celebrating the future and the achievements to come tomorrow.

Ben Chan, MD, MPH, MPA
Chief Executive Officer

2004-05: A YEAR OF MILESTONES FOR THE HEALTH QUALITY COUNCIL

Our mission is to improve the quality of care and the caring experience in Saskatchewan, by encouraging the use of best practice. We will do this by:

- Ensuring continuous, objective reporting on performance quality
- Supporting quality improvement initiatives
- Engaging all decision-makers – managers, providers, and patients – in the quality improvement movement

The public release of the report also marked our first foray into webcasting. Through our web site, visitors heard the news conference in real-time and could follow along with the Powerpoint presentation. Using an email link, the web audience posted questions during the questions and answers session.

In conjunction with the report release, we initiated several quality improvement initiatives. We produced a Quality Improvement Guide highlighting leading strategies from Canada and abroad to improve drug management of heart attacks. We hosted a brainstorming teleconference, where Saskatchewan providers and managers from across health regions began planning the next steps for improving care. We also worked in partnership with the RxFiles, Saskatchewan's academic detailing program, to promote optimal drug management among physicians.

1905

Saskatchewan is proclaimed a province; there are six hospitals in operation.

1909

Saskatoon City Hospital opens, the first municipal hospital in Western Canada.

Saskatchewan Archives Board, R-A3521

1911

Dr. Maurice Seymour organizes the Saskatchewan Anti-Tuberculosis League.

1916

Saskatchewan is first in North America to use municipal taxes for hiring nurses and doctors.

Saskatchewan Archives Board, R-B1157

1921

The Anti-Tuberculosis Commission conducts first school survey in Canada.

Measuring and reporting on quality improvement

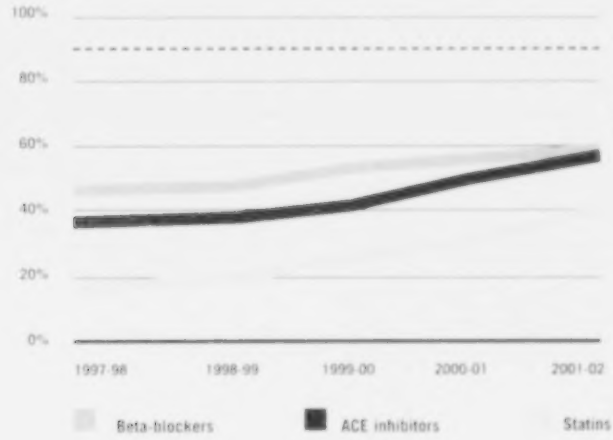
First major quality report released: Improving the Quality of Post-Heart Attack Care

In September we released our first major quality report, *Improving the Quality of Post-Heart Attack Care: Outcomes and Secondary Prevention*. Our study found that many Saskatchewan heart attack patients were not on statins, beta-blockers, and ACE inhibitors, key medications proven to save lives and prevent second heart attacks. We estimated that at least 45 lives could be saved each year in Saskatchewan through optimal use of these drugs.

Second report focused on drug management of seniors in long-term care

In early December, we shared the results of our second quality study, *Improving the Quality of Drug Management of Saskatchewan Seniors in Long-Term Care*. This project found that more than one quarter of Saskatchewan seniors living in long-term care regularly received at least one medication that put them at increased risk of adverse side effects, such as dizziness, confusion, falls, and disability (as defined by the *Beers* criteria). The evidence shows there are safer, equally effective alternatives to these high-risk medications.

At our news conference we announced the launch of a significant quality improvement initiative. In demonstration sites throughout the province, we will test the impact of a team approach to medication management in long-term care–including an enhanced role for clinical pharmacists. The initiative is the result of a partnership involving the College of Physicians and Surgeons of Saskatchewan, the Representative Board of Saskatchewan Pharmacists, Saskatchewan Association of Licensed Practical Nurses, the Saskatchewan College of Pharmacists, Saskatchewan Health, the Saskatchewan Medical Association, and the Saskatchewan Registered Nurses' Association.



1924

Saskatchewan has the lowest general death rate of any portion of the British Empire.

1929

Dr. R. Ferguson leads Saskatchewan to become first jurisdiction providing free treatment for tuberculosis.

1930

1938

Dr. Ferguson leads the first statistically controlled BCG tuberculosis vaccinations.

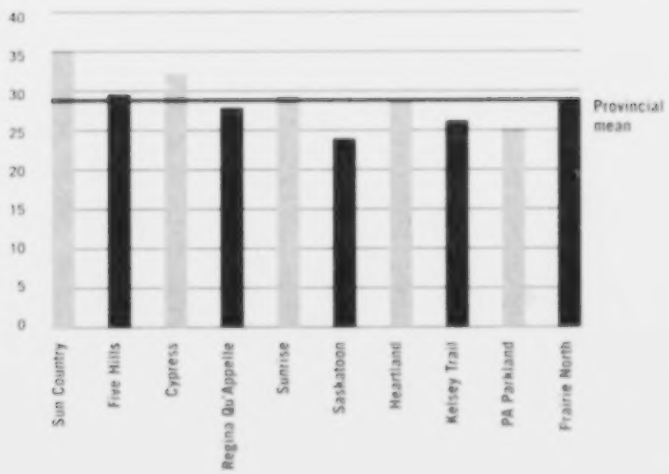
1944

Saskatchewan is first in North America to provide free cancer diagnosis and treatment.

QI-nexus, Saskatchewan's first major quality improvement learning symposium

In October we welcomed to our province three representatives from England's National Primary Care Development Team. The NPDT team led our QI-nexus event, a hands-on quality improvement learning symposium. More than 150 Saskatchewan leaders and managers participated in the three-day event.

The first two days of the symposium focused on practical tools and techniques for quality improvement. Participants learned about concepts such as process mapping, the Improvement Model, Plan-Do-Study-Act cycles, measurement, and variation. The final day focused exclusively on Collaboratives, the NPDT's main mechanism for change.



2004-05:

MILESTONES

HEALTH

COUNCIL

19

09

16

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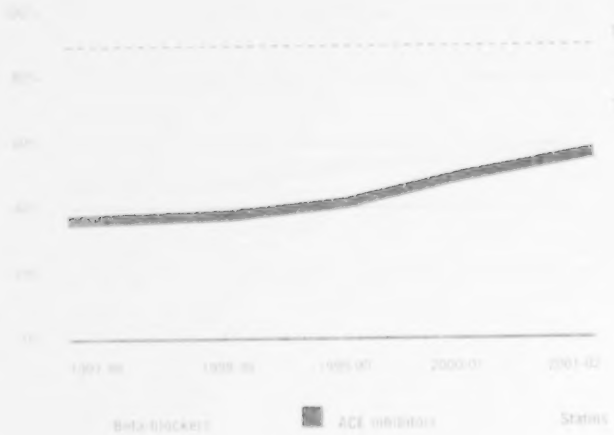

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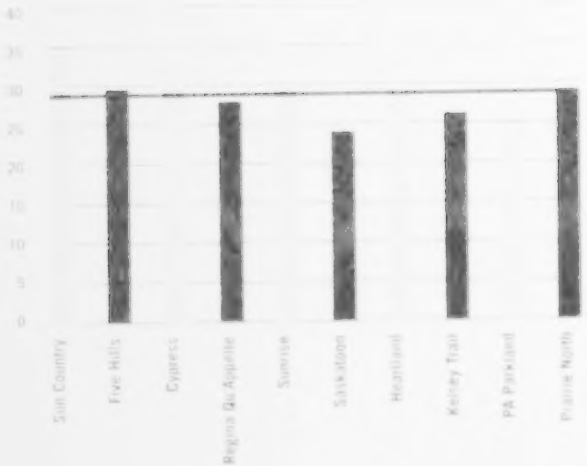

Throughout the event there were opportunities for small group discussion and practice. QI-nexus received positive reviews from participants. Not only was it an educational opportunity, but also a capacity-building event for the province. Following the symposium we began development of a QI Toolbook, based on content from the presentations.

Annual satellite broadcast of the IHI National Forum continues to build momentum

In December, more than 600 health providers and managers gathered in 22 communities around the province to tune into our satellite broadcast of the National Forum on Quality Improvement in Health Care. Together with the Saskatchewan Communications Network, we shared this

1947
Saskatchewan introduces the first universal hospitalization insurance program in North America.
1951
Saskatchewan team, including Sylvia Fedoruk, first in world using calibrated cobalt-60 cancer treatment unit.
U of S Archives, A-125
1955
Premier Tommy Douglas officially opens University Hospital, during Saskatchewan's Jubilee celebrations.
1957
Dr. Griffith McKerracher leads Saskatchewan in more humane approach to mental illness.
1962
Premier Tommy Douglas sees his dream become a reality; universal medicare becomes law in Saskatchewan.

world-renowned conference with every interested community in the province, with no individual registration fees.

This year we introduced a new feature, SaskatchewONE Minutes. These five-minute segments highlighted some of the province's current quality improvement initiatives. We also produced a feature on Saskatchewan Improvement Ideas, showcasing success stories from around the province.

An introduction to the "science of better"

In February we hosted *Mind Your P(atients) and Q(ueues)*, an introductory workshop on Operations Research and its applications to health care. Although the field of Operations Research has been around for some time, it is only recently that we have begun to understand its potential value to the health care system. More than 70 participants learned about its implications for Saskatchewan, including how we manage wait lists, allocate resources, schedule patients, plan physician supply, and improve patient flow. The workshop also included a software tutorial and hands-on practice session.

Quality Improvement Network continues to thrive

The Quality Improvement Network (QIN) includes representatives from all 13 health regions and the Saskatchewan Cancer Agency. These individuals play a key role in sharing local quality improvement initiatives, identifying opportunities for collaboration, and mentoring the development of quality improvement skills within the regions. An advisory group to QIN includes all network members, plus representatives from the Provincial Nursing Council, Provincial Medical Council, Saskatchewan Health, Network of Interdisciplinary and Regulatory Organizations, Saskatchewan College of Pharmacists, and the public. The group meets three times per year to discuss quality-related issues. The group also receives a weekly e-newsletter with information on HQC projects, quality improvement resources, and events. Within the last year, the distribution of the e-newsletter has expanded significantly, a good indication that the culture of quality improvement continues to gain momentum.

Promoting quality improvement

Patient experience survey first of its kind in province

How patients are treated as people is an important dimension of care. A patient may receive care that is technically perfect, but still feel that he or she had a negative experience. The first Saskatchewan Patient Experience Survey is providing patients with an opportunity to share their views about the acute hospital care they received.

Between September 2004 and March 2005, selected patients were surveyed on specific aspects of their hospital stays, including the admission process, hospital staff, pain management, discharge procedures, and the general hospital environment. We embarked on this major project in partnership with all 13 health regions. In supporting the project, RHAs committed to using the findings to improve the quality of acute hospital care and to share leading practices with one another.

Important step forward in patient safety

In January, eight adult intensive care units began working together as part of a year-long Collaborative to enhance care in this particularly complex environment. The Saskatchewan Adult ICU Collaborative is addressing two topics: control of sedation and agitation, and prevention of venous thromboembolism in critically ill patients. Both are important issues, common to all ICUs regardless of size.

The participating Adult ICUs are: Victoria Hospital (Prince Albert), Moose Jaw Union Hospital, Regina General (two units) and Pasqua Hospital, and City Hospital, St. Paul's Hospital, and Royal University Hospital in Saskatoon. HQC is providing the funding and web-based infrastructure for the project, and we will also evaluate the Collaborative. This project is designed to enhance patient care and safety, and promote interdisciplinary teamwork and learning. Results will be available in the next fiscal year.

libraries in Regina, Yorkton, and Prince Albert. Training for librarians and health care providers is ongoing.

Innovation Fund promotes regional partnership

The 2005 Innovation Fund competition demonstrated a remarkable level of partnership among the regions. Of the eight projects approved for funding, three were joint projects. Regions will be collaborating on the following programs:

- *Reducing readmission rates for congestive heart failure (Saskatoon, Heartland)*
- *Improving compliance and satisfaction with therapy in patients with obstructive sleep apnea (Saskatoon, Regina Qu'Appelle, Kelsey Trail)*

First major quality improvement initiative to focus on primary care

At the QI-nexus learning symposium, the NPDT closed with a direct challenge: If Saskatchewan wants to be a leader in large system change and quality improvement, we must be bold, be brave, and think big. In January we announced the launch of the Saskatchewan Chronic Disease Management Collaborative, the first time our entire province has embarked on a quality improvement initiative of this scale.

This project will focus on improving quality of care for Saskatchewan patients with diabetes and coronary heart disease, while also improving access to primary care practices. This is the first Collaborative in our primary care setting, and a unique opportunity to bring together care teams

1965

Royal Commission, headed by Saskatchewan's Emmett Hall, calls for national health insurance program.

1971

U of S Physical Education professor Don Bailey helps found the ParticipACTION movement.

1974

Joan Bonnell (Wilson) helped found Heart Havens of Canada, now Ronald McDonald Houses of Canada.

1979

Madan Gupta and Kailash Prasad develop a system that can detect and diagnose heart disease in its earliest stages.

1983

Saskatchewan's Linear Accelerator is recognized as world-class for cancer therapy studies.

Reliable health evidence easily accessible in Saskatchewan

Having reliable access to a trusted source of information on health care interventions is critical to delivering quality care. In March, Saskatchewan became the first province in Canada to provide free access to the Cochrane Library. The Cochrane Library is the world's best single source of evidence about the effects of health care interventions. A key component of this large Internet database are its systematic reviews, which provide concise summaries of the findings of all the research studies done on a specific topic.

This was a noteworthy event that attracted attention from media, government, and the public. To celebrate the achievement we hosted simultaneous open houses at

- *Increasing awareness about falls prevention (Saskatoon, Cypress, Sun Country, Prince Albert Parkland, Canadian Red Cross - Regina office)*

Other approved projects for 2005:

- *Medication reconciliation on admission to long-term care at Wascana Rehabilitation Centre (Regina Qu'Appelle)*
- *Optimizing drug management of home care clients (Sunrise)*
- *Impact of implementing cardiac troponin testing algorithm on excessive and inappropriate troponin test requirements (Saskatoon)*
- *Multidisciplinary diabetes assessment clinic with lower limb assessment priority (Cypress)*
- *Improved balance between primary and emergent care utilization at La Loche (Keewatin Yatthe)*

from all the regions. It has the potential to change the face of health care in our province and nation.

A Collaborative is an improvement method that relies on the spread and adaptation of existing knowledge to multiple settings to accomplish a common aim.

Early discovery report early recovery for TB patients, Saskatchewan the Art, TB League promotes awareness and healing

19

51

Saskatchewan team, including Sylvia Fedoruk, first in world using calibrated cobalt 60 cancer treatment unit.

1955

Premier Tommy Douglas officially opens University Hospital, during Saskatchewan's Jubilee celebrations.

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Dr. Griffith McKerracher leads Saskatchewan in more humane approach to mental illness.

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Centre for Agricultural Medicine established, the first in Canada to study farming's health effects.

1993

Neurologist Dr. Ali Rajput leads the largest controlled clinical trial ever conducted for Parkinson's.

19

99

the 35th anniversary of the first kidney co-transplant in Canada.

2004

Saskatchewan first province in Canada to offer Cochrane Libra free to all residents.

Projects in the next fiscal year

In the next fiscal year, we will be releasing our quality reports on:

- *Improving asthma care*
  According to the Canadian Lung Association, approximately 20 children and 500 adults in this country die each year from asthma. With proper treatment, however, most of these deaths could be prevented. We are examining the quality of various aspects of asthma care in Saskatchewan. We will share our findings with stakeholders, then work with them to identify opportunities to improve management of this condition.
- *Improving cancer patient flow*
  Using the science of Operations Research, we are working with the Saskatchewan Cancer Agency to improve how breast and prostate cancer patients move through the cancer care system, from suspicion of disease through to diagnosis. We are consulting with providers, managers, and community partners to map the cancer care process and identify strengths and opportunities for quality improvement.
- *Improving the drug management of community-dwelling seniors*
  Research suggests that between eight to 27 percent of seniors living in the community are on medications that should be avoided in the elderly. We are studying the situation in our province. Applying the same indicators we used in our study of drug management in long-term care, we are examining dispensing rates among community-dwelling Saskatchewan seniors.
- *Improving skin and wound care in Saskatchewan health facilities*
  Preventing and managing wounds is an important aspect of patient care in hospitals, home care, and long-term care facilities. A provincial Skin and Wound Care Action Committee, led by the Saskatchewan Association of Health Organizations and HQC, is developing a strategy to ensure Saskatchewan patients receive consistent, high-quality skin and wound care. The Committee is currently pilot-testing a user-friendly, evidence-based guideline designed to prevent, assess, and manage pressure ulcers.

We will also be sharing results (some final, some preliminary) on quality improvement projects mentioned in this Annual Report, such as:

- *Drug management for seniors in long-term care*
- *Saskatchewan Adult ICU Collaborative*
- *Saskatchewan Chronic Disease Management Collaborative*
- *Patient Experience Survey*

Honouring the legacy of innovative health care

Although we are very proud of the many firsts we have achieved this year, HQC has room to grow and improve. We will continue to measure and report on quality of care. Understanding our performance is the first step in making improvements and sustaining success. Quality reports are not about placing blame, but about discovering opportunities.

Quality reports are an important element of our role and contribution to Saskatchewan's health care system. But we also hold ourselves accountable for ensuring these results are acted upon. The Health Quality Council creates change through partnership, perseverance, and passion for our work.

In pioneering times, people found their strength in community. They knew they could accomplish more working together than they possibly could on their own. This pioneering spirit has never left Saskatchewan. We know that we all have a part to play in making our health care better. The greatest way to honour the legacy of innovative health care in this province is to continue the tradition. We are proud to be making history, by creating a better future for health care here in Saskatchewan.

1987
Centre for Agricultural Medicine established, the first in Canada to study farming's health effects.

1993
Neurologist Dr. Ali Rajput leads the largest controlled clinical trial ever conducted for Parkinson's.

1996
Saskatchewan's 50th anniversary of the air ambulance, the first in Canada to provide the service.

1999
The 35th anniversary of the first kidney re-transplant in Canada.

2004
Saskatchewan first province in Canada to offer Cochrane Library free to all residents.

Air ambulance. In 1946, the Saskatchewan government forged an act for the creation of an air ambulance service, the first in North America and the Commonwealth.

HEALTH QUALITY COUNCIL STAFF

BOARD OF DIRECTORS

Stewart McMillan
(Chair)

Marlene Smadu
(Vice-Chair)

Ross Baker
(Appointed February 2005)

Peter Barrett

Charlyn Black

John Conway

Eber Hampton

Cecile Hunt

Dennis Kendel

Steven Lewis

Yvonne Shevchuk

Daniel Fox

Kenneth Kizer
(Term completed February 2005)

Don Berwick
(Special Advisor)

FINANCIAL STATEMENTS

For the Year Ended March 31, 2005

Fort San: Dr. Maurice Seymour, an innovative public health official, was instrumental in the building of Saskatchewan's first TB sanatorium, Fort Qu'Appelle

REPORT OF MANAGEMENT

Management is responsible for the integrity of the financial information reported by the Health Quality Council (HQC). Fulfilling this responsibility requires the preparation and presentation of financial statements and other financial information in accordance with Canadian generally accepted accounting principles that are consistently applied, with any exceptions specifically described in the financial statements.

The accounting system used by the HQC includes an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized;
- the assets of the HQC are protected from loss and unauthorized use; and
- the accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information.

To ensure management meets its responsibilities for financial reporting and internal control, Board members of the HQC discuss audit and financial reporting matters with representatives of management at regular meetings. HQC Board members have also reviewed and approved the financial statements with representatives of management.

The Provincial Auditor of Saskatchewan has audited the HQC's statement of financial position, statements of revenue, expenditure and changes in fund balance, and statements of cash flows. His responsibility is to express an opinion on the fairness of management's financial statements. The Auditor's report outlines the scope of his audit and his opinion.

J. Stewart McMillan, MB, ChB, CCFP, FCFP
Board Chair

Ben Chan, MB, MPH, MPA
Chief Executive Officer

Saskatoon, Saskatchewan
May 27, 2005

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Health Quality Council as at March 31, 2005 and the statements of operations, change in net assets and cash flows for the year then ended. The Council's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Health Quality Council as at March 31, 2005 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 27, 2005

Fred Wendel, CMA, CA
Provincial Auditor

STATEMENT OF FINANCIAL POSITION

STATEMENT 1

HEALTH QUALITY COUNCIL

As at March 31	2005	2004
	(000s)	(000s)
Financial Assets		
Cash	$ 847	$ 253
Accrued Interest Receivable	13	46
Accounts Receivable	38	35
Short-Term Investments (Note 3)	3,866	4,252
	4,764	4,586
Liabilities		
Accounts Payable	947	314
Payroll Liabilities	92	52
Deferred Income (Note 5)	1,000	-
	2,039	366
Net Financial Assets	2,725	4,220
Non-Financial Assets		
Tangible Capital Assets (Note 4)	231	106
Prepaid Expenses	10	-
	241	106
Accumulated Surplus	$ 2,966	$ 4,326
Commitments (Note 11)		

(See accompanying notes to the financial statements)

STATEMENT OF OPERATIONS

STATEMENT 2

HEALTH QUALITY COUNCIL

For the year ended March 31	2005		2004
	Budget Note 9 (000s)	Actual (000s)	Actual (000s)
Revenue:			
Saskatchewan Health - General Revenue Fund	$ 3,800	$ 3,800	$ 5,000
Interest Income	-	64	77
Other Income (Note 6)	-	42	12
Total Revenue	3,800	3,906	5,089
Expenses:			
Project Funding	773	624	217
Grants	2,050	1,521	181
Wages and Benefits	3,042	2,310	1,175
Travel	27	140	121
Administrative and Operating Expenses	491	264	223
Honoraria and Expenses of the Board and Committees	178	118	164
Amortization Expense	-	101	40
Rent	200	188	167
Total Expenses	6,761	5,266	2,288
Annual (Deficit) Surplus	$ (2,961)	(1,360)	2,801
Accumulated Surplus, beginning of year		4,326	1,525
Accumulated Surplus, end of year		$ 2,966	$ 4,326

(See accompanying notes to the financial statements)

STATEMENT OF CHANGE IN NET ASSETS

STATEMENT 3

HEALTH QUALITY COUNCIL

For the year ended March 31	2005	2004
	(000s)	(000s)
Annual (Deficit) Surplus	$ (1,360)	$ 2,801
Acquisition of tangible capital assets	(226)	(116)
Amortization of tangible capital assets	101	40
	(125)	(76)
Acquisition of prepaid expense	(10)	-
Use of prepaid expense	-	16
	(10)	16
(Decrease) Increase in net assets	(1,495)	2,741
Net financial assets, beginning of year	4,220	1,479
Net financial assets, end of year	$ 2,725	$ 4,220

(See accompanying notes to the financial statements)

STATEMENT OF CASH FLOWS

STATEMENT 3

HEALTH QUALITY COUNCIL

For the year ended March 31	2005	2004
	(000s)	(000s)
Operating Transactions		
Cash Received From:		
Saskatchewan Health – General Revenue Fund	$ 3,800	$ 5,000
Saskatchewan Health – Technical Efficiency Fund	1,000	-
Interest Income	97	31
Other Income	39	-
	4,936	5,031
Cash Paid For:		
Wages and Benefits	2,271	1,125
Supplies and Other	2,231	819
	4,502	1,944
Cash provided by operating transactions	434	3,087
Capital Transactions:		
Purchases of tangible capital assets	(226)	(116)
Cash applied to capital transactions	(226)	(116)
Investment Transactions:		
Purchase of Investments	(9,098)	(7,561)
Disposal of Investments	9,484	3,324
Cash provided by (applied to) investment transactions	386	(4,237)
Increase (decrease) in cash and cash equivalents	594	(1,266)
Cash, beginning of year	253	1,519
Cash, end of year	$ 847	$ 253

(See accompanying notes to the financial statements)

HEALTH QUALITY COUNCIL
March 31, 2005

1. Establishment of the Council

The *Health Quality Council Act* was given royal assent July 10, 2002 and proclaimed on November 22, 2002. The Council provides advice to government, regional health authorities, and health care professionals and reports to the public on a wide range of issues related to health system quality and performance. The Health Quality Council commenced operations on January 1, 2003.

2. Accounting Policies

The Health Quality Council uses Canadian generally accepted accounting principles appropriate for the public sector to prepare its financial statements. The following accounting principles are considered to be significant:

a) Revenues

For the operations of the Health Quality Council, the primary revenue is received from Saskatchewan Health – General Revenue Fund. Other sources of revenue include interest and miscellaneous revenue. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are deferred and recognized as revenue in the year which related expenses are incurred.

b) Tangible Capital Assets

Tangible capital assets are reported at cost less accumulated amortization. Purchases valued at $250 or greater are recorded as a capital asset. Leasehold improvements are amortized over the length of the lease, the current lease expires in July 2007. Amortization is recorded on a straight-line basis at rates based on estimated useful lives of the tangible capital assets as follows:

Office Furniture	10 years
Office Equipment	5 years
Computer Hardware	3 years
Computer Software	3 years
Leasehold Improvements	3 years

Normal maintenance and repairs are expensed as incurred.

c) Investments

Investments are valued at the lower of amortized cost or net realizable value.

d) Basis of Accounting

The financial statements are prepared using the expense basis of accounting.

3. Short-Term Investments

The Health Quality Council held several investments as of March 31, 2005. All investments are held with Saskatchewan Finance. Investments are short-term, held for a period of one year or less. The total investments include $1,000,000 for the Technical Efficiency Fund as established by Saskatchewan Health (Note 5). Investments will decrease substantially over the next fiscal year, as the funds will be used to implement the Health Quality Council's strategic plan. Total investments held as of March 31, 2004 were $4,252,000.

	2005	
	Carrying Value (000s)	Interest Rate
Sask Finance:		
Bank of Nova Scotia	$ 1,242	2.959%
Bank of Montreal	496	2.560%
Royal Bank	494	2.590%
Bank of Montreal	989	2.580%
Bank of Montreal	645	2.670%
Total Investments	$ 3,866	

4. Tangible Capital Assets

	Office Furniture & Equipment (000s)	Computer Hardware & Software (000s)	Leasehold Improvements (000s)	2005 Totals (000s)	2004 Totals (000s)
Assets, beginning of year	$ 92	$ 126	$	$ 218	$ 102
Additions during the year	48	128	50	226	116
Disposals during year		(5)		(5)	
Closing Cost	140	249	50	439	218
Accumulated Amortization, beginning of year	32	80		112	72
Amortization for the year	17	67	17	101	40
Adjustments to amortization (disposals)		(5)		(5)	
Closing accumulated amortization	49	142	17	208	112
Net book value of tangible capital assets	$ 91	$ 107	$ 33	$ 231	$ 106

5. Deferred Revenue

The Province of Saskatchewan established a $1 million Technical Efficiency Fund in February 2005. Saskatchewan Health has entrusted the Health Quality Council to manage and coordinate the Technical Efficiency Program, which is designed to assess and evaluate those areas of the health care system that the Province has determined could benefit from the application of one or more process improvements:

(a) health system productivity,
(b) timeliness of health care delivery and services and health outcomes,
(c) health outcomes, and
(d) overall patient, public and provider satisfaction with the health system.

An agreement describing the responsibilities of each party will be signed between the province of Saskatchewan and HQC. Saskatchewan Health will approve all projects and payments that are to be funded through the Technical Efficiency Fund. The term of the agreement is March 1, 2005 to March 31, 2007.

This deferred revenue will be recorded as revenue as the related costs are incurred. Unless otherwise directed by the province, the HQC will return all unexpended funds to the province upon the expiration of the agreement.

6. Other Income

Other income recorded by the Health Quality Council is comprised of conference registration fees, and cost recoveries.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards, and commissions related to the Council by virtue of common control by the Government of Saskatchewan, and non-crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Other transactions with related parties and amounts due to or from them are described separately in these financial statements and notes thereto. The list below describes related party transactions in excess of ten thousand ($10,000) dollars in the current year.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms.

The Council pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Council pays the Goods and Services Tax (GST) on all its taxable purchases. The Council is eligible, and applies, for a rebate of 50% for the GST. The remaining 50% GST is recorded as part of the cost of those purchases.

Accounts Payable	2005	2004
Capital Pension Plan	$ 17,122	$
Cypress Hills Health Authority		22,644
Five Hills Regional Health Authority	22,098	
Heartland Regional Health Authority	17,864	
Kelsey Trail Regional Health Authority	17,424	
Prairie North Regional Health Authority	28,218	
Prince Albert Parkland Regional Health Authority	30,704	
Regina Qu'Appelle Regional Health Authority	138,890	
Saskatchewan Cancer Agency	12,000	
Saskatchewan Cable Network		38,976
Saskatchewan Opportunities Corporation	52,809	
Saskatoon Regional Health Authority	266,231	126,818
Sun Country Regional Health Authority	19,866	
Sunrise Health Regional Health Authority	38,906	
University of Saskatchewan	101,420	29,410

Project Funding, Administrative and Occupancy Costs	2005	2004
Capital Pension Plan - employee benefits	$ 84,791	$ 51,100
Cypress Hills Regional Health Authority	46,903	22,644
Five Hills Regional Health Authority	39,495	4,440
Heartland Regional Health Authority	57,688	11,532
Kelsey Trail Regional Health Authority	61,426	
Mamawetan Churchill River Regional Health Authority	18,113	5,274
Prairie North Regional Health Authority	88,740	725
Prince Albert Parkland Regional Health Authority	72,281	
Regina Qu'Appelle Regional Health Authority	465,447	500
Sask Tel	20,224	21,554
Saskatchewan Association of Health Organizations	37,504	7,510
Saskatchewan Cancer Agency	41,533	
Saskatchewan Communications Network Corporation	50,633	
Saskatchewan Opportunities Corporation	241,824	179,671
Saskatoon Regional Health Authority	680,722	139,751
Sun Country Regional Health Authority	65,366	250
Sunrise Health Regional Health Authority	82,090	7,380
University of Saskatchewan	128,813	24,341

8. Financial Instruments

The Council has the following financial instruments: accrued interest receivable, accounts receivable, investments, and accounts payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Significant terms and conditions

There are no significant terms and conditions associated with the financial instruments, other than investments, that may affect the amount, timing, and certainty of future cash flows. Significant terms and conditions for investments are described separately in these financial statements and notes thereto.

b) Interest Rate Risk

The Council is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates. The Council does not have any long-term investments that may be affected by market pressures.

The Council's receivables and payables are non-interest bearing.

c) Credit Risk

The Council is exposed to credit risk from potential non-payment of accounts receivable or investment income and principal.

Most of the Council's receivables are from provincial and federal governments. Therefore the credit risk is minimal.

All investments are purchased through Saskatchewan Finance and the investments held are either from major banks or provinces. Therefore, credit risk for investments and related accrued interest receivable is minimal.

d) Fair Value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short term nature:

Accrued Interest Receivable
Accounts Receivable
Short-term Investments
Accounts Payable

9. Budget

These amounts represent the operating budget approved by the Board of Directors.

10. Pension Plan

The Health Quality Council is a participating employer in the Capital Pension Plan, a defined contribution pension plan. Eligible employees make monthly contributions of 5.5% of gross salary, which are matched by the Health Quality Council. The Council's contributions for this fiscal year were $84,791 (2004 – $51,190).

11. Contractual Commitments

As of March 31, 2005, the Health Quality Council had the following commitments with related parties:

a) Quality Improvement Network (QIN)

- The Quality Improvement Network is a key initiative to provide a foundation for improving the quality of health care throughout Saskatchewan. QIN is designed to support the development of quality improvement in Regional Health Authorities and to facilitate the sharing of quality improvement knowledge and experiences, as well as to provide the Health Quality Council linkages in each region.

- Since inception up to March 31, 2005, the Health Quality Council through the Quality Improvement Network has provided $1,309,777 in the support of quality improvement in health care. The following schedule illustrates the Council's QIN commitment for the remainder of the program.

April 1, 2005 to September 30, 2005	$ 467,071
October 1, 2005 to September 30, 2006	632,897
Total Commitment	$1,099,968

b) Innovation Fund

- The Innovation Fund provides funding to Regional Health Authorities to develop, implement and evaluate innovative strategies that focus on improving the quality of care and building capacity in the healthcare system, using evidence-based care practices. As of March 31, 2005 the Council has committed $195,700 to this initiative.

c) ICU Database

- The Health Quality Council has established a partnership with the Saskatoon Regional Health Authority and the Regina Qu'Appelle Regional Health Authority relating to the Saskatchewan Adult Intensive Care Quality Improvement Program. The HQC is committed to provide funding for the development, implementation, maintenance and support of a provincial critical care database. The total commitment is $100,000.

d) Office Lease

	2006	2007	Expires
Saskatchewan Opportunities Corporation	$249,948	$83,316	July 31, 2007

HEALTH QUALITY COUNCIL

For the year ended March 31, 2005

Personal Services

The individuals listed below received payments for salaries, honorariums, etc. which total $50,000 or more.

Agnew, Alex	81,501
Basky, Greg	71,584
Bingham, Maureen	73,876
Bouchard, Chantal	52,257
Brossart, Bonnie	92,010
Chan, Ben	243,993
Gander, Laura	73,658
Jensen, Phyllis	55,349
Sidhu, Nirmal	50,387
Payees under $50,000	1,107,893
	1,902,507

Supplier Payments

The companies listed below represent those suppliers who were paid $50,000 or more for the provision of goods and services.

Cronus Technologies Inc.	98,640
NRC+Picker Group Canada	74,512
Prescription Pricing Authority	162,267
Saskatchewan Opportunities Corporation	261,824
University of Saskatchewan	128,813
Various Other Suppliers	756,760
	1,482,815

Transfers

The agencies listed below represent organizations that were paid more than $5,000.

Capital Pension Plan	171,703
Cypress Hills Regional Health Authority	46,903
Five Hills Regional Health Authority	39,495
Heartland Regional Health Authority	57,688
Keewatin Yatthe Regional Health Authority	9,438
Kelsey Trail Regional Health Authority	61,426
Mamawetan Churchill River Regional Health Authority	18,113
Prairie North Regional Health Authority	88,740
Prince Albert Parkland Regional Health Authority	72,281
Regina Qu'appelle Regional Health Authority	465,447
Saskatchewan Cancer Agency	41,533
Saskatchewan Institute on the Prevention of Handicaps	5,000
Saskatoon Regional Health Authority	680,722
Sun Country Regional Health Authority	65,366
Sunrise Health Regional Health Authority	82,090
Other Transfers under $5,000	2,360
	1,908,305

HEALTH QUALITY COUNCIL

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